bvse market report: plastics, July 2022

1 General economy and deference to the plastics industry

The current GfK consumer climate index for Germany 2020/2022 was published on 28.06.2022, see https://de.statista.com/statistik/daten/studie/2425/umfrage/gfk-konsumklima-index/. This indicator should explain the trends in private consumption. The key influence factors are the economic and income expectations and purchasing and saving propensities. The GfK Consumer Climate MAXX" study is conducted on behalf of the EU Commission.

The GfK Consumer Climate Index,which measures consumer trends in private households, fell to an index score of -26.2 points in June 2022. The GfK is predicting a score of -27.4 points for the consumer climate for July 2022, and thus another record low in consumer confidence. With the war in Ukraine and the economic sanctions against Russia, the German economy is in uncertain times. Moreover, the continuing high inflation rate is pressing down on consumers' confidence.

bvse e.V with its specialist association for plastic recycling: the author of the market report is asking himself the question as to whether the markets for plastics, secondary plastics and technical plastics will return to normal or whether more signs of a recession can be seen? The buyers of plastics are ordering less because of the summer break, because of speculation for further falling prices and because of the stagnant demand for consumer goods. Moreover, there are still shortages of parts for manufacture, meaning that certain products cannot be finally assembled or delivered.

To answer the question posed earlier: we are witnessing deep-seated changes in the various sectors of the market economy. For example, there are currently price rises and price stops and even price falls. The previous first two quarters must be considered in these views, which were characterised by drastic price rises, in particular. These price rises are finite and can be reversed.

2 Primary markets - standard plastics

In June 2022 the EUWID average price of 2,091 €/t was 97 €/t lower than in the previous month (2,188 €/t), see Table 1. In a year-on-year comparison, it can be seen that the average quotes from June 2022 (2,091 €/t) were 131 €/t higher than those of the previous year (1,960 €/t), see EUWID. www.euwid-recycling.de. The quotes for PE fell by an average 125 €/t, PP by 150 €/t, PS by 130 €/t and PVC by 10 €/t.

PET: Imported quantities are alleviating the demand pressure, in spite of the seasonally increased demand for beverage bottles. As a result, the prices for packaging PET stabilised in June. Packaging PET was quoted at an average price of 1,800 €/t in June 2022, and thus 40 €/t higher than in the previous month, see https://www.kiweb.de/.

Table 1: Standard plastics prices according to EUWID over the past five months, listed in €/t.

Prices in €/t	June 2022	May 2022	April 2022	March 2022	Feb. 2022
LDPE film grade	1850- 2000	2000- 2150	2150- 2300	1950- 2100	1850- 2000
LLDPE film grade	1800- 1950	1950- 2100	2100- 2250	1900- 2050	1800- 1950
HDPE injection moulding	1700- 1900	1800- 2000	1900- 2100	1700- 1900	1550- 1750
HDPE blow moulding	1650- 1850	1750- 1950	1850- 2050	1650- 1850	1500- 1700
PS crystal clear	2450- 2550	2580- 2680	2550- 2650	2150- 2250	2050- 2150
PS high impact	2500- 2600	2630- 2730	2600- 2700	2200- 2300	2100- 2200
PP homopolymer	2150- 2350	2300- 2450	2350- 2550	2150- 2350	2050- 2250
PP copolymer	2200- 2500	2350- 2500	2400- 2600	2200- 2400	2100- 2300
PVC tube grade	1860- 1950	1860- 1960	1900- 2000	1800- 1900	1700- 1800
PVC film/cables	1950- 2050	1960- 2060	2000- 2100	1900- 2000	1800- 1900

Average Price	**2091 ± 294**	**2188 ± 278**	**2255 ± 278**	**2035 ± 213**	**1925 ± 227**

3 Secondary plastics markets in the plasticker price index

The plasticker internet platform, see http://plasticker.de, publishes quotes on an hourly basis. The present market report indicates the final monthly prices. It is only possible to represent the preliminary prices for July 2022; they will not become definitive until early August 2022. The two quotes stated for July 2022 below indicate only an interim situation, see the left-hand column in Table 2 and Table 3.

3.1 plasticker: Standard plastics

In June 2022, we once again saw an increase in the average price. The average price in June was quoted at 826 €/t and was thus 20 €/t higher than that of the previous month (806 €/t), see Table 2. And this average price (826 €/t) was 187 €/t above that of the previous year (639 €/t).

And we are still seeing large price moves in individual commodities. There were significant price changes of greater than ±40 €/t for: HDPE regrind +270 €/t, HDPE regranulates +60 €/t, LDPE regranulates +190 €/t, PP bale goods -80 €/t, PP regrind +190 €/t, PP regranulates +70 €/t, PS regranulates -30 €/t and PET regrind mixed colours +220 €/t. Highs were recorded for HDPE regrind at 1,010 €/t, HDPE regranulates at 1,250 €/t, LDPE regranulates at 1,220 €/t and HDPE regrind at 820 €/t.

The price index is characterised by slightly lower demand for plastic in comparison to the previous month. When discussing the changes, those quotes that are below statistical significance (*) remain unchanged.

The probable average price in July 2022 (859 €/t) is once again quoted 33 €/t higher than in the previous month (826 €/t) see Table 2. The price index of 20.07.2022 shows purchase demand to date at roughly the same level as the previous month.

Table 2: Standard plastics price according to plasticker; listed in €/t.

	July[6] 22	**June 22**	**May 22**	**April 22**	**March 22**	**June 21**
HDPE regrind[1]	1050	1010	740	630	710	640
HDPE regranulates[5]	1260	1250	1190	1090	1100	1040
LDPE bale goods[2]	260*	160*	330*	260*	400*	270*
LDPE regrind[1]	790*	790*	640*	640*	650*	470
LDPE regranulates[5]	1150	1220	1030	910	1070	980
PP bale goods[3]	100*	180*	260*	340*	380*	260*
PP regrind[1]	770*	860*	670	780	790	620
PP regranulates[5]	1540	1550	1480	1370	1490	1130
PS regrind[4]	1110*	1090*	720*	780*	880*	700*
PS regranulates[5]	2190	1720	1750	1350	1330	1470
PVC_P regrind[1]	880*	900*	900*	660*	650*	290*
PVC_U regrind[1]	0*	0*	730*	0*	0*	570*
PET bale goods	10*	10*	250*	140*	200*	70*
PET regrind mixed colours	910	820	600	360	390	430
Average Price	**(859)**	**826**	**806**	**665**	**717**	**639**

*: Supply figure too low to attain statistical significance; [1]: equivalent to the grade "post-industrial mixed colours"; [2]: equivalent to K49; [3]: equivalent to K59; [4]: equivalent to “standard, mixed colours”; [5]: equivalent to the grade “regranulates, black"; [6]: preview (may be amended by additional quotes)

3.2 plasticker: Technical plastics

For June 2022, there was an average price of 2,013 €/t, which was 10 €/t lower than that of the previous month (2,023 €/t), see Table 3. The average prices remained roughly the same in May 2022 and June 2022. The average price for June 2022 (2,013 €/t) was 429 €/t above that of the previous year (1,584 €/t).

We see large price changes in individual commodities. There were significant price changes of more than ±70 €/t for: ABS regrind +80 €/t, ABS regranulates -380 €/t, PC regrind +210 €/t, PC regranulates -210 €/t, PBT regrind +360 €/t, PBT regranulates -170 €/t, PA 6 regranulates +170 €/t, PA 6.6 regranulates -110 €/t, POM regrind +80 €/t and POM regranulates -200 €/t.

Highs were quoted for ABS regrind at 1,450 €/t, PBT regrind at 980 €/t, PA 6 regranulates at 2,880 €/t and POM regrind at 1,190 €/t. The price index shows satisfactory purchase demand.

The probable average price in June 2022 (2,048 €/t) is thus 35 €/t higher than in the previous month (2,013 €/t). The price index of 20.0.2022 shows purchase demand at roughly the same level as the previous month.

Table 3: Technical plastics price according to plasticker; listed in €/t.

	July[6] 22	**June 22**	**May 22**	**April 22**	**March 22**	**June 21**
ABS regrind	1320	1450	1370*	1020*	970	640
ABS regranulates[5]	2330	2280	2660	2500	2500	2410
PC regrind	1240*	1110*	900*	1120*	1240*	1030
PC regranulates[5]	2640	2680	2890	3010	3010	1910
PBT regrind	1020*	980*	620*	520*	810*	610
PBT regranulates	2450	2350	2520	2730	2940	2140
PA 6 regrind	1010*	1130	1060	960*	860*	950
PA 6 regranulates[5]	2970	2880	2710	2650	2720	2320
PA 6.6 regrind	1230*	980*	1010*	960	1250*	1010
PA 6.6 regranulates[5]	3910	3760	3870	3980	3870	2910
POM regrind	900*	1190*	1110*	790*	1140*	600
POM regranulates[5]	3550	3360	3560	3440	3040	2480
Average Price	**(2048)**	**2013**	**2023**	**1973**	**2029**	**1584**

*: Supply figure too low to attain statistical significance; [5.] equivalent to the grade “regranulates, black”; [6.] preview (may be amended by additional quotes)

4 Secondary plastics markets

The plastics markets are still extremely volatile and react quickly to the changes in the framework parameters. For the recyclers, the central correcting variables are the purchase prices for the processing input, energy prices and the costs for logistics and freight. In the summer break, the markets calm down or consolidate. The offer of virgin grade and plastic waste is improving slowly, but continuously.

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According to EUWID, the demand for plastic wastes and recyclates for standard plastics was assessed as good. EUWID recorded moderate price rises for a few PE and PP commodities in the June price index. The prices rises in EUWID are one-sided and affect the lower prices. In the secondary plastics markets, PS and PVC are quoted unchanged. In plasticker we see marked price rises for plastic wastes, in this case standard plastics and technical plastics; but, overall, plasticker recorded satisfactory demand.

PET Recycling

In this hot summer, there are finally more beverage bottles on offer. The prices for used PET single-use bottles remained unchanged in June: PET transparent ±0 €/t, PET mixed ±0 €/t and PET coloured ±0 €/t. Detailed monthly reports on the PET prices for virgin grade and used bottles can be found in EUWID and KI Plastics Information Europe.

The virgin grade prices are still being greatly surpassed by the prices for regrinds (flakes) and regranulates. Whereas the price of the virgin grades rose by 40 €/t to 1,800 €/t, the prices of transparent flakes remained unchanged at 2,080 €/t and those of regranulates rose by 30 €/t to 2,450 €/t.

5 Explanation on the price quotes

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in EUWID Recycling and Disposal see www.euwid.de, or in EUWID Plastics www.euwid-recycling.de. EUWID: No guarantee for any of the prices; prices ex station. As a rule, the prices quoted refer to quantities in excess of 20 tons.

The quotes for secondary prices, which are updated on an hourly basis, can be calculated using the price lists that are derived from the quotations published in the raw material exchange plasticker, see `www.plasticker.de`. The prices listed in this index are quoted without reservation - as the majority of the quotes submitted are not necessarily equivalent to the sales prices. Plasticker offers the quality grades regrind and regranulates both as virgin materials and as secondary goods. The term 'bale goods' refers to waste plastics only. Furthermore, plasticker does not distinguish between the following grades: transparent, mixed colours or colour-separated. Therefore, the information provided by plasticker may indicate different market behaviour than the prices quoted by EUWID

Bonn, Monday, 8. August 2022 Dr Thomas Probst, bvse